

Patent Right	Date	January 30, 2020	Court	Tokyo District Court, 46th Civil Division
	Case number	2019 (Wa) 4944		
- A case in which the court ruled that the Defendants' act of working the invention for which they own patent rights jointly with the Plaintiff does not violate the clause "otherwise agreed upon in a contract" as set forth in Article 73, paragraph (2) of the Patent Act.				

### Summary of the Judgment

In this case, the Plaintiff, the holder of two patent rights for inventions, one of which is titled "String equipped with a tube-type string" (Patent Right 1 and Patent Right 2), alleges against the Defendant, who is a joint owner of the Patent Rights, and the Defendant Company in which the Defendant serves as a representative director, that the Defendants' act of manufacturing and selling the Defendants' Product by working the invention covered by Patent Right 1 violates the clause "otherwise agreed upon in a contract" as set forth in Article 73, paragraph (2) of the Patent Act and therefore it infringes Patent Right 1, and also alleges that the Defendants' act of jointly taking over the Plaintiff's market in Japan constitutes a general tort (Article 709 of the Civil Code). Based on these allegations: [1] against the Defendants, the Plaintiff seeks an injunction against their import, sale, etc. of the Defendants' Product under Article 100, paragraph (1) and claims compensation for damages under Article 709 of the Civil Code and Article 102, paragraph (2) of the Patent Act; and [2] against the Defendant, based on the joint patent application agreement concluded between the Plaintiff and the Defendants which provides for the deprivation of Patent Rights 1 and 2, the Plaintiff seeks [i] a declaratory judgment that the Defendant does not have his/her share (one-fourth) in Patent Rights 1 and 2, [ii] the procedure for registration of transfer of said share to the Plaintiff, and [iii] the procedure for registration of cancellation of the right for said share.

In this case, the court held as follows. According to the interpretation of the joint patent application agreement mentioned above, the Defendant could have practiced Patent Right 1 without going through prior consultation with or obtaining permission from the Plaintiff, who is a joint patent owner. Therefore, the Defendants' act of selling the Defendants' Product does not violate the clause "otherwise agreed upon in a contract" as set forth in Article 73, paragraph (2) of the Patent Act. Since the Defendant cannot be found to have breached the abovementioned joint patent application

agreement, the Defendant has not lost his/her share in Patent Rights 1 and 2. With regard to the Plaintiff's allegation of a general tort, the court held that there is no sufficient evidence to find that the Defendants have committed the alleged act as part of a series of acts in an attempt to take free ride on the Japanese market that the Plaintiff had developed, with the intention to exclusively undermine the social reputation of the Plaintiff and the Plaintiff's representative and take their profits. In conclusion, the court dismissed all of the Plaintiff's claims.